

APPENDIX III

PROPERTY VALUATION REPORT

The following is the text of a letter, a summary of values and valuation certificates prepared for the purpose of incorporation in this document received from [REDACTED], in connection with its valuation as at 30 September 2022 of the property interests held by the Group.



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SUMMARY OF VALUES

Group I – Property interests held by the Group for owner-occupied in Japan

No.	Property	Market value in existing state as at 30 September 2022	Interest Attributable to the Group	Market value Attributable to the Group as at 30 September 2022
1.	An industrial complex located at Lot Nos. 50-4, 50-7 & 50-19, Taiheidai, Shoou-cho, Katsuta-gun, Okayama	JPY 1,170,000,000 (equivalent to approximately RMB57,681,000)	100%	JPY 1,170,000,000 (equivalent to approximately RMB57,681,000)
	Sub-total:	JPY 1,170,000,000 (equivalent to approximately RMB57,681,000)		JPY 1,170,000,000 (equivalent to approximately RMB57,681,000)

Group II – Property interests held by the Group for owner-occupied in the PRC

No.	Property	Market value in existing state as at 30 September 2022	Interest Attributable to the Group	Market value Attributable to the Group as at 30 September 2022
2.	An industrial complex located at Nos. 99 and 385 Xiaoye Road, Fengxian District, Shanghai City, the PRC	RMB591,800,000	100%	RMB591,800,000
	Sub-total:	RMB591,800,000		RMB591,800,000

Group III – Property interests held by the Group for investment in the PRC

No.	Property	Market value in existing state as at 30 September 2022	Interest Attributable to the Group	Market value Attributable to the Group as at 30 September 2022
3.	An industrial complex located at No. 128 Jinling East Road, Weiting Town, Suzhou Industrial Park, Suzhou City, Jiangsu Province, the PRC	RMB120,500,000	100%	RMB120,500,000
	Sub-total:	RMB120,500,000		RMB120,500,000
	Grand-total:	RMB769,981,000		RMB769,981,000

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VALUATION CERTIFICATE

Group I – Property interests held by the Group for owner-occupied in Japan

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2022
1.	An industrial complex located at Lot Nos. 50-4, 50-7 & 50-19, Taiheidai, Shooou-cho, Katsuta-gun, Okayama	<p>The property comprises 3 parcels of land with a total site area of approximately 23,578.64 sq.m. together with 10 buildings which were completed between 1990 and 2007.</p> <p>The property has a total gross floor area ("GFA") of approximately 10,749.02 sq.m. including a factory, an office building, 2 machine rooms, a cleansing room, a resting room, 3 storages and a workshop.</p> <p>The property is located at Katsuta-gun, Okayama Prefecture, with approximately 3.3 km to Nishi-Katsumada Station and 52 km to Okayama Airport.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>JPY 1,170,000,000 (equivalent to approximately RMB57,681,000)</p> <p>(100% interest attributable to the Group: JPY1,170,000,000 (equivalent to approximately RMB57,681,000))</p>
		The property is held freehold.		

Notes:

1. The registered owner of the land with a total site area of 23,578.64 sq.m. is Nippon Shuichi Cosmetics Co., Ltd.
2. The registered owner of the buildings with a total gross floor area of 10,749.02 sq.m. is Nippon Shuichi Cosmetics Co., Ltd.
3. The lands and buildings were pledged to the Kanda Branch of Sumitomo Mitsui Banking Corporation (株式会社三井住友銀行神田支店).
4. In our valuation, we have made reference to the transaction price references of land comparables in the subject and nearby development. We have adopted the range of unit rates between JPY 9,000 and JPY 12,000 per sq.m. The unit rates assumed by us are consistent with the said price reference. Due adjustments to the unit rates of those price reference have been considered to reflect factors including but not limited to time, location and size in arriving at the key assumptions.

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Group II – Property interests held by the Group for owner-occupied in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2022
2.	An industrial complex located at Nos. 99 and 385 Xiaoye Road, Fengxian District, Shanghai City, the PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 100,091.30 sq.m. together with 14 buildings and various structures which were completed between 2017 and 2020.</p> <p>The property has a total gross floor area (“GFA”) of approximately 137,021.09 sq.m. including 3 factories, 3 warehouses, an office building, 3 ancillary buildings and 4 guard houses.</p> <p>The property is located at Shanghai City, with approximately 28 km to Shanghai South Train Station and 54 km to Shanghai Pudong International Airport.</p> <p>The land use rights of the property have been granted for a term expiring on 3 March 2065 and 14 August 2067 respectively for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB591,800,000</p> <p>(100% interest attributable to the Group: RMB591,800,000)</p>

Notes:

- Pursuant to two State-owned Land Use Rights Grant Contracts issued by the Shanghai Fengxian District Planning and Land Administration Bureau (上海市奉賢區規劃和土地管理局), the land use rights of the property with a total site area of 100,091.50 sq.m. have been granted to the Company for a land use right term of 50 years for industrial use at a total land premium of approximately RMB78,160,000 with details as follows:

State-owned Land Use Grant Contracts No.	Date of Contract	Land Premium (RMB)	Site Area (sq.m.)	Plot Ratio
Hu Feng Gui Tu (2014) Chu Rang He Tong Di No. 71	4 December 2014	22,500,000	33,327.20	2.00
Hu Feng Gui Tu (2018) Chu Rang He Tong Bu Zi Di No. 2	17 January 2018	55,660,000	66,764.30	1.73
Total:		78,160,000	100,091.50	

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2. Pursuant to two Real Estate Ownership Certificates with a total site area of approximately 100,091.30 sq.m. and a total gross floor area of approximately 137,012.09 sq.m., the land use rights and the building ownership of the property have been vested to Shanghai Zhongyi, for a term of approximately 50 years for industrial use and the details are shown as below:

Real Estate Ownership Certificates Number	Site Area (sq.m.)	GFA (sq.m.)	Date of Issuance	Land Use and Expiry Date
Hu (2017) Feng Zi Bu Dong Chan Quan Di No. 026379	33,327.00	61,697.49	21 December 2017	Industrial: 3 March 2065
Hu (2020) Feng Zi Bu Dong Chan Quan Di No. 020576	66,764.30	75,314.60	23 September 2020	Industrial: 14 August 2067
Total:	100,091.30	137,012.09		

3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisors, which contains, *inter alia*, the following:
- a. The Company has legally and validly obtained both of the land use rights and building ownership of the property; and
 - b. The land use rights and buildings of No. 99 Xiaoye Road, Fengxian District, Shanghai City, the PRC were pledged to the Fengxian branch of Shanghai Pudong Development Bank (上海浦東發展銀行股份有限公司奉賢支行). The Company has the right to occupy and use the property legally, but has restricted right to transfer, lease and pledge the property.
4. In our valuation, we have made reference to four transaction price references of land comparables in the subject and nearby development. We have adopted the range of land price unit rates between RMB740 and RMB760 per sq.m. The land price unit rates assumed by us are consistent with the said price reference. Due adjustments to the land price unit rates of those price reference have been made to reflect factors including but not limited to time, location and size in arriving at the key assumptions.

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Group III – Property interests held by the Group for investment in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2022
3.	An industrial complex located at No. 128 Jinling East Road, Weiting Town, Suzhou Industrial Park, Suzhou City, Jiangsu Province, the PRC	<p>The property comprises a parcel of land with a total site area of approximately 21,785.34 sq.m. together with 6 buildings which were completed between 2007 and 2009.</p> <p>The property has a total gross floor area ("GFA") of approximately 29,913.27 sq.m. including 5 factories and an ancillary building.</p> <p>The property is located at Suzhou City, with approximately 3.6 km to Weiting Railway Station and 53 km to Sunan Shuofang International Airport.</p> <p>The land use rights of the property have been granted for a term expiring on 23 September 2054 for industrial use.</p>	As at the valuation date, the property with total gross floor area of approximately 29,913.27 sq.m. was leased to 蘇州創軒達科技服務有限公司 for a term expiring on 31 July 2031.	<p>RMB120,500,000</p> <p>(100% interest attributable to the Group: RMB120,500,000)</p>

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate – Su Gong Yuan Guo Yong (2005) Di No. 02253 dated 8 December 2005, the land use rights of the property with a total site area of approximately 21,785.34 sq.m. have been vested to Suzhou Industrial Park Lizi Cosmetic Co., Ltd., for a term of approximately 50 years expiring on 23 September 2054 for industrial use.
2. Pursuant to the Building Ownership Certificate – Su Fang Quan Zheng Yuan Qu Zi Di No. 00274597 dated 19 June 2009, the property with a total gross floor area of approximately 29,913.27 sq.m. is held by Suzhou Industrial Park Lizi Cosmetic Co., Ltd. for non-residential use.
3. Pursuant to the tenancy agreement and supplementary agreement, the property with a total gross floor area of approximately 29,913.27 sq.m. was leased to 蘇州創軒達科技服務有限公司, an independent third party of the company, as an industrial park for a term expiring on 31 July 2031. The monthly rent is approximately RMB681,790.25 as at the valuation date, inclusive of tax.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, *inter alia*, the following:
 - a. The Company has legally and validly obtained both of the land use rights and building ownership of the property; and
 - b. The land use rights and buildings were pledged to 上海銀行股份有限公司漕河涇支行. The Company has the right to occupy and use the property legally, but has restricted right to transfer, lease and pledge the property.
5. In our valuation, we have made reference to market rental comparables in the subject and nearby development. We have adopted the range of rental unit rates between RMB24 and RMB30 per sq.m. per month. The rental unit rates assumed by us are consistent with the said rental reference. Due adjustments to the rental unit rates of those rental reference have been made to reflect factors including but not limited to time, location and size in arriving at the key assumptions.